

Message Text

CONFIDENTIAL

PAGE 01 CASABL 00326 010939Z

17

ACTION NEA-09

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FM AMCONSUL CASABLANCA

TO SECSTATE WASHDC 3459

INFO AMEMBASSY RABAT

C O N F I D E N T I A L CASABLANCA 0326

E.O. 11652: GDS

TAGS: ELAB, ECON, MO

SUBJECT: STRIKE AT FIRST NATIONAL CITY BANK-MAROC

1. SUMMARY: CASABLANCA BRANCH OF FIRST NATIONAL CITY BANK HAS BEEN ON STRIKE SINCE APRIL 21. BANK'S LOCAL UNION APPEARS EXTREMELY MILITANT AND STRIKE, ALREADY UNUSALLY LENGTHY, SHOWS NO SIGN OF IMPENDING SETTLEMENT. FNCB MANAGEMENT HAS BEEN UNABLE MAINTAIN DIALOGUE WITH UNION AND CONGEN HAS USED ITS TRADE UNION CONTACTS TO GET NEGOTIATIONS STARTED AGAIN. STRIKE CAME AT VERY AWKWARD TIME FOR FNCB WHICH MUST MOROCCANIZE FIFTY PERCENT OF ITS CAPITAL BY MAY 31. THERE IS SOME UNSUPPORTED SPECULATION THAT LOCAL MOROCCAN BANKS MAY SOMEHOW HAVE A HAND IN FNCB'S DIFFICULTIES. SHOULD LABOR STRIFE COMPOUND DIFFICULTIES BANK FACES OVER MOROCCANIZATION, FNCB WITHDRAWAL FROM MOROCCAN MARKET MIGHT BECOME REAL POSSIBILITY. END SUMMARY.

2. EMPLOYEES OF FIRST NATIONAL CITY BANK-MAROC HAVE BEEN ON STRIKE SINCE APRIL 21. FNCB'S LOCAL UNION IS ORGANIZED BY THE UNION MAROCAINE DU TRAVAIL (UMT). BY LOCAL STANDARDS, THIS STRIKE , NOW IN ITS SECOND WEEK, IS UNUSUALLY LONG.

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PAGE 02 CASABL 00326 010939Z

3. FOLLOWING ARE UNION'S DEMANDS:

A. INCREASE IN ANNUAL ALLOWANCE ("PRIME DE BILAN")

B. REALIGNMENT OF SALARIES BY A COMMITTEE OF UNION DELEGATES

C. CHANGES IN LIST OF PERSONNEL PAID AS "AUTHORIZED SIGNERS"

D. INCREASE IN NUMBER OF EMPLOYEE HOUSING LOANS

E. GUARANTEE OF EMPLOYMENT RIGHTS AFTER BANK'S CAPITAL IS "MOROCCANIZED". (FIFTY PERCENT OF BANKS CAPITAL IS REQUIRED TO BE MOROCCAN -HELD BY MAY 31)

F. PAYMENT OF SPECIAL ONE-TIME ALLOWANCE WHEN BANK IS MOROCCANIZED.

4. FNCB MANAGER PAPON, IN NEGOTIATIONS WITH UNION LAST WEEK, MADE CONCESSIONS ON ALL ABOVE POINTS EXCEPT B AND D BUT HAS HAD NO UNION RESPONSE. BANK CAN OBVIOUSLY NOT PERMIT EMPLOYEES TO ESTABLISH OWN SALARIES, AND IS MOST RELUCTANT TIE UP GREATER PERCENTAGE OF ITS LIMITED CAPITAL IN EMPLOYEE HOUSING LOANS THAN IT ALREADY HAS. (MANAGEMENT MAINTAINS THAT ITS HOUSING LOAN PROGRAM ALREADY COMPARES FAVORABLY WITH THOSE OF OTHER LOCAL BANKS.)

5. PAPON HAS NOT BEEN ABLE TO COMMUNICATE WITH UNION SINCE APRIL 23, AND HAS THUS FAR BEEN UNABLE TO MEET WITH LOCAL OFFICIALS NORMALLY INVOLVED IN SETTLING LABOR DISPUTES. THIS INCLUDES GOVERNOR OF CASABLANCA WHO IN PAST HAS PUT A SPEEDY END TO STRIKES HE DID NOT BELIEVE TO BE IN PUBLIC INTEREST.

6. CONGEN, WHICH MAINTAINS EXCELLENT CONTACTS WITH BOTH FNCB AND UMT, HAS USED ITS GOOD OFFICES TO GET NEGOTIATIONS STARTED AGAIN. THESE ARE SCHEDULED TO BEGIN TODAY UNDER AEGIS OF LOCAL BANKER'S ASSOCIATION.

7. THREE OTHER FOREIGN BRANCH BANKS WERE STRUCK AT APPROXIMATELY SAME TIME AS FNCB, BUT LOCAL UNIONS OF TWO WERE LESS MILITANT AND STRIKES WERE QUICKLY SETTLED. THIRD BANK WAS SOCIETE DE CONFIDENTIAL

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PAGE 03 CASABL 00326 010939Z

BANQUE ET CREDIT (EX-BANQUE AMERICANO-FRANCO-SUISSE), NOW ELEVEN AND ONE-THIRD PERCENT OWNED BY CONTINENTAL ILLINOIS), WHICH SETTLED ONLY AFTER FOUR DAY STRIKE.

8. CURRENT STRIKE COMES AT PARTICULARLY AWKWARD TIME FOR FNCB-MAROC WHICH IS STILL EXPLORING SEVERAL FORMULAE FOR MOROCCANIZATION PRIOR TO MAY 31 DEADLINE. THERE HAS BEEN SOME UNSUPPORTED RPT UNSUPPORTED SPECULATION BY MANAGEMENT OF

SBC AND FNCB THAT ONE OR MORE LOCAL BANKS HAVE QUIETLY ENCOURAGED FNCB'S UNION LEADERSHIP IN ORDER TO WEAKEN THE BANKS BARGAINING POSITION VIS-A-VIS MOROCCANIZATION. THIS SORT OF TALK IS REINFORCED BY LOCAL UNION BRAGGING THAT IT HAS A STRIKE FUND TO BACK UP THIS STRIKE FOR AN INDEFINITE PERIOD AND REPORTS THAT THIS FUND WAS LOANED THE UNION BY A LOCAL BANK. (STRIKE FUNDS ARE UNUSUAL IN MOROCCAN LABOR PRACTICE.) ANOTHER CURIOUS FACTOR IS APPARENT RELUCTANCE OF IMPORTANT BANKER'S ASSOCIATION TO ASSIST EITHER SBC OR FNCB.

9. COMMENT: THERE IS AT THIS WRITING LITTLE REASON TO BELIEVE STRIKE WILL BE SETTLED QUICKLY, AND PAPON HAS NOW REQUESTED TIME-CONSUMING FORMAL ARBITRATION. FNCB EXECUTIVES ARE DUE TO ARRIVE CASABLANCA EARLY MAY ON MOROCCANIZATION MATTERS, AND IF LABOR SITUATION DOES NOT LOOK MORE HOPEFUL AT THAT TIME WE BELIEVE AN FNCB PULL-OUT OF MOROCCO WILL BE A REAL POSSIBILITY OTHMAN BENJELLOUN, LOCAL BUSINESS TYCOON WITH WHOM FNCB IS NEGOTIATING AS ONE OF ITS PROSPECTIVE MOROCCAN PARTNERS, HAS JUST RETURNED FROM NEW YORK WITH REPORT TO THIS EFFECT. HE CLAIMS VICE-CHAIRMAN OF FNCB NEW YORK TOLD HIM FIRM DECISION TAKEN TO PULL OUT. PAPON KNOWS NOTHING OF THIS BUT HE, AND WE, BELIEVE RUMOR WILL QUICKLY SPREAD FROM BENJELLOUN AND WILL MAKE EVEN MORE DIFFICULT STRIKE SETTLEMENT AND ANY SUCCESSFUL MOROCCANIZATION NEGOTIATION.
BRUBECK

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